(b) if so, the details thereof and what action Government propose to take in the matter in order to provide physical and mental relief to the senior citizens?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes Sir.

(b) It has not been found feasible to provide such an exemption for a specific category of citizens in view of the policy of the Government to enlarge the tax base. However, senior citizens are allowed tax rebate upto an amount of Rs. 20,000/- from the amount of income-tax chargeable. Further, the income-tax return forms have been simplified.

Low FDI inflow

48. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the FDI has dropped to 50 per cent in the first quarter of April-June, 2003;

(b) whether it is also a fact that the FDI inflow for the above period stood at US $ 529 million as against US$1.2 billion in the corresponding period last year;

(c) if so, the reasons for this drop; and

(d) What steps Government are taking to overcome the difficulties and pave way for more FDI inflow?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) The amount of inflows of FDI during the first quarter of current financial year (01-04-2003 to 30-06-2003) is Rs.17,937.34 million (US $ 381.65 million) compared to Rs.52,666.00 million (US $ 1,097.21 million) received during the corresponding period of 2002.

(c) The inflow of FDI is largely depedent on factors such as commercial judgement of the investors, global market conditions and trade fundamentals.

(d) Government has put in place a liberal FDI policy and most of the sectors have been placed under the automatic route, except for a small

negative list. The amount of inflows of FDI during the first half of current financial year is US$ 1707.14 million compared to US $ 1604.16 million received during.the corresponding period of 2002.

Corporate Governance in private Sector

49. DR. MANMOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) what is Goverment's assessment of the current state of corporate governance in the private sector and

(b) the measures undertaken or contemplated to bring about improvements in corporate governance?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) Improving corporate governance is a continuous process. Several measures have been introduced over the years by amending the Companies Act and also through the listing Agreement introduced by Securities and Exchange Board of India (SEBI). Recently, the Naresh Chandra Committee made recommendations covering areas of corporate governance such as independence of directors and auditors, prohibition of auditors taking up certain non-audit assignments etc.

Electronic Refund Scheme for Tax Refunds

50. SHRI RAMA MUNI REDDY SIRIGIREDDY : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Ministry of Finance is very soon going to launch electronic refund scheme through the electronic credit system of RBI for claiming tax refunds;

(b) whether any time-frame has been fixed within which the system is going to be launched;

(c) the details of States in which it is going to be launched; and

(d) in what manner the Ministry can launch the system without changing the audit rules and treasury rules?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes, Sir.